Courtesy of NASA

STIRLING TECHNOLOGY COMPANY

…powering the 21st Century

J.D. Sitton, CEO and President

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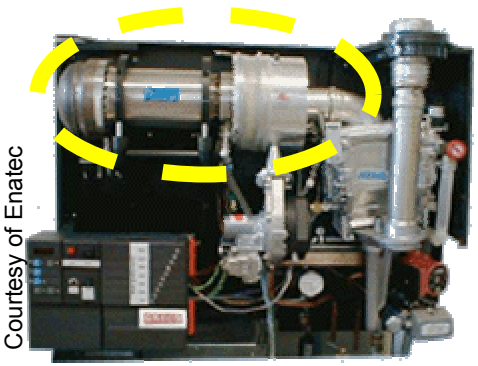
STC's People, Technology and Partners enable…

- Zero-maintenance, long-life space power systems

Courtesy of JPL

- 96% efficient combined heat and power systems



Courtesy of Enatec

- Locally-fueled systems for clean water and reliable power

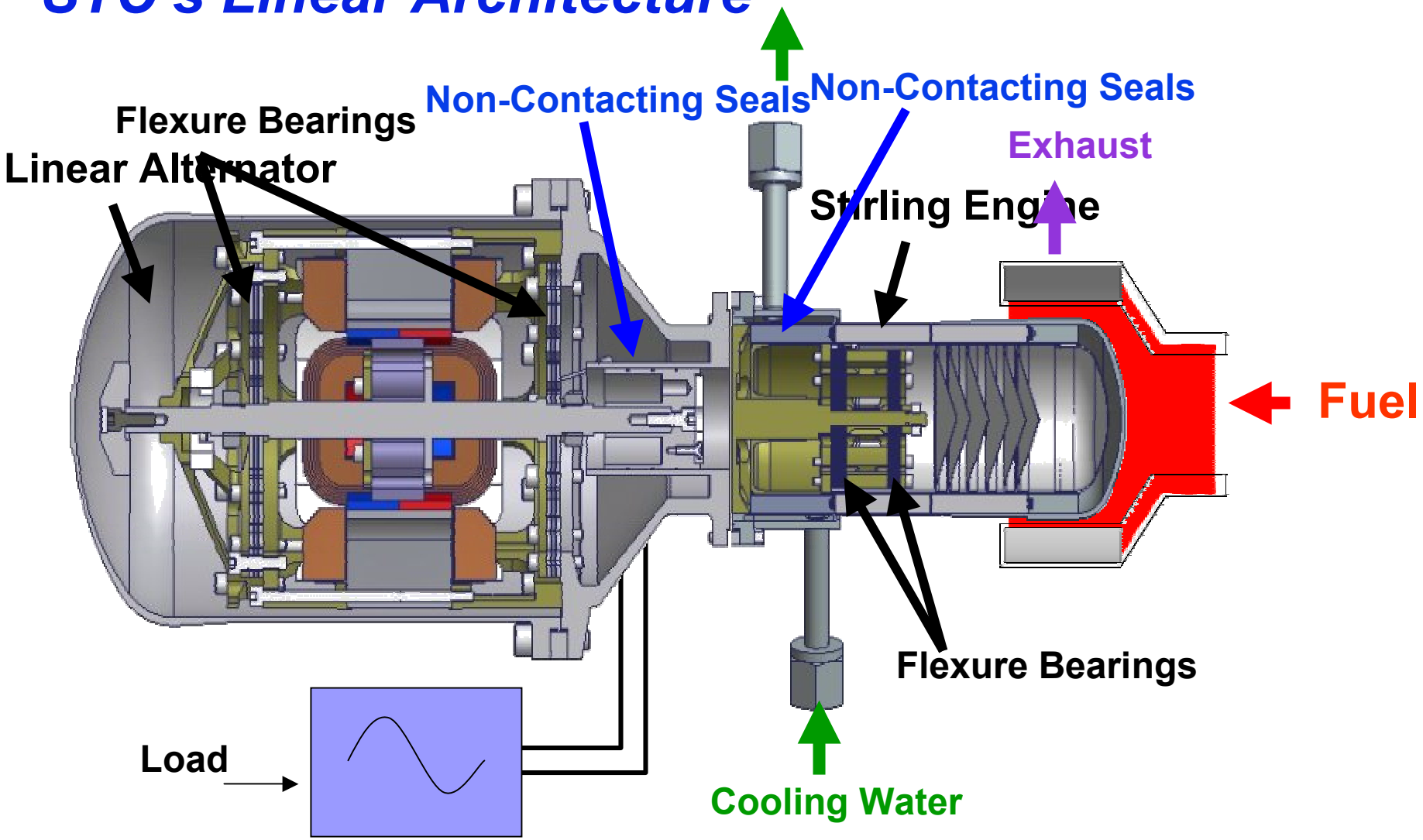
About STC

- Leading developer of Stirling engine generators
- Growing, financially stable and cash-flow positive
- Focused on realizing the potential of Stirling cycle machines
- Privately-held and predominantly employee-owned

STC's Strategy: 4 Elements

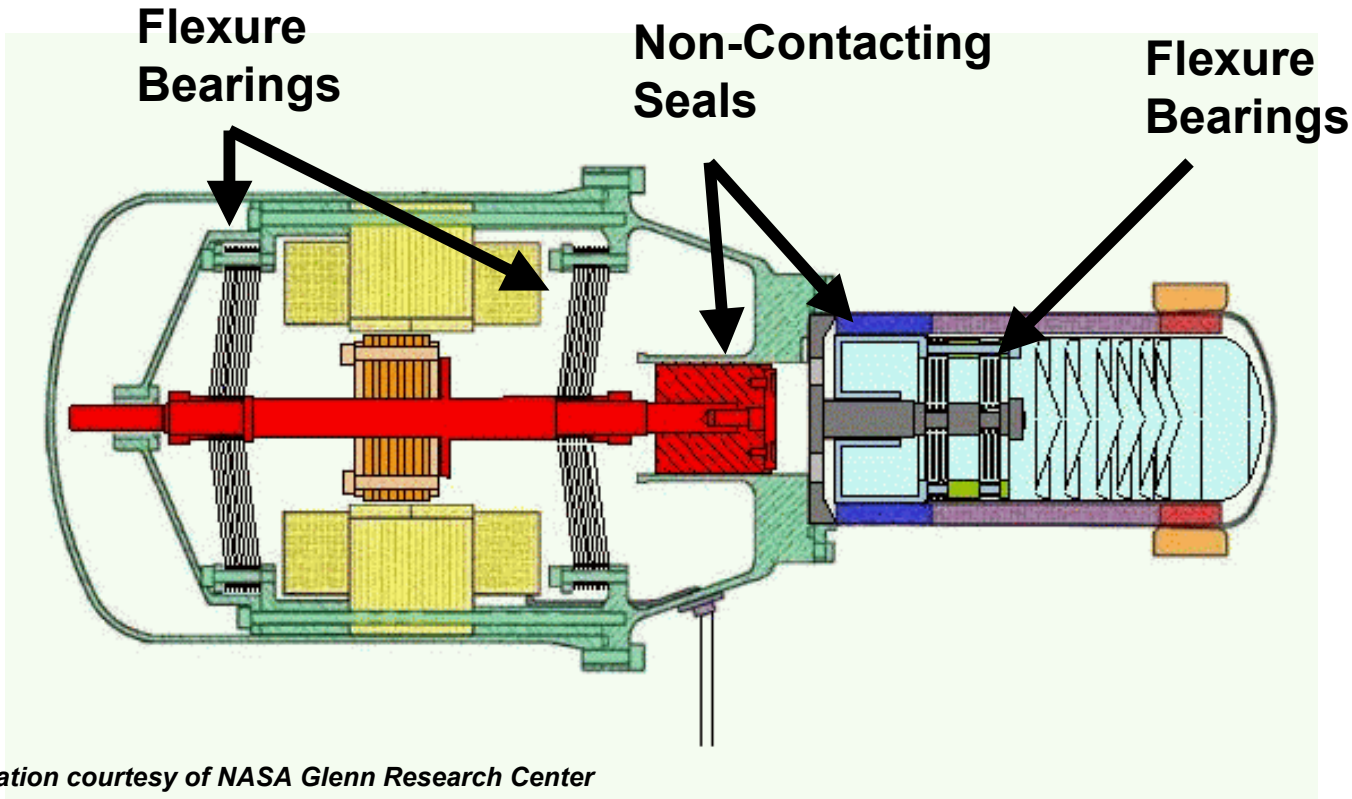
1. ***Developing and delivering*** very reliable space power systems
2. ***Selling products*** into high value markets
3. ***Licensing technology*** into mass markets
4. ***Driving technology advancement*** and STC commercial objectives through public and private funding

STC's Linear Architecture



STC's Stirling Engine Generator

Capacity:	a few watts – 5 kW
Output:	50 Hz, 60 Hz, 100V – 400V
Efficiency:	10%-25%
	96% CHP mode
Fuel System:	External Combustion



Animation courtesy of NASA Glenn Research Center

STC's Technology Advantages

- **Proven Reliability and Long Life**
  - *9+ years continuous operation on long run-time unit*
  - *Passed NASA launch-load testing*
- **Zero Maintenance Prime Mover**
- **Very Quiet Operation**
- **Highly Adaptable Products**
- **Favorable Production Basis**
  - *Simple hardware*
  - *Common materials and processes*

Element 1: Develop and Deliver

Space Power Generators

Courtesy of NASA

- **Scope** — Deliver multiple radioisotope power generators
- **Duty Cycle** — Continuous power – 14 years
- **Drivers** — Science
Environmental (4x efficiency)
National security
- **Market Potential** — $100 million to $150 million
- **STC Difference** — Efficiency, reliable performance
Space-flight qualified (in process)
- **Status** — $23+ million backlog, multi-year contracts

…because there is no aftermarket in deep space

Element 2: Sell Products Into

High Value Markets

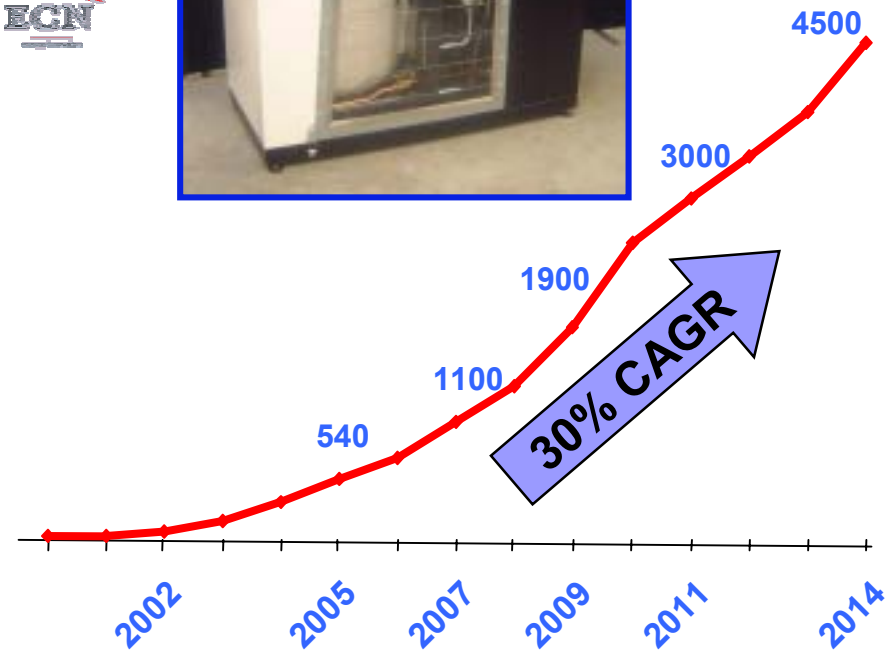
Example: Micro Remote Power Systems

- Power Range — 200 W – 5 kW, AC and DC
- Application — SCADA, Valve Control, Cathodic Protection, Critical Circuit Protection
- Size of Market — $50 million - $75 million per year
- Market Drivers — CapEx for new facilities
- Competing Technologies — Thermal systems, turbines, PV / batteries
- STC Difference — Reliable, zero-maintenance prime mover; Improved efficiency

Element 3 – License into Mass Markets

Example: European Residential CHP Market

Courtesy of Enatec



Residential Market ($ million)

Source: Frost & Sullivan + Business Analysis

Target:

- Boilers: 6+ million units/year

Growth Drivers:

- CO_2 Reduction (Kyoto)
- Energy Savings

Considerations

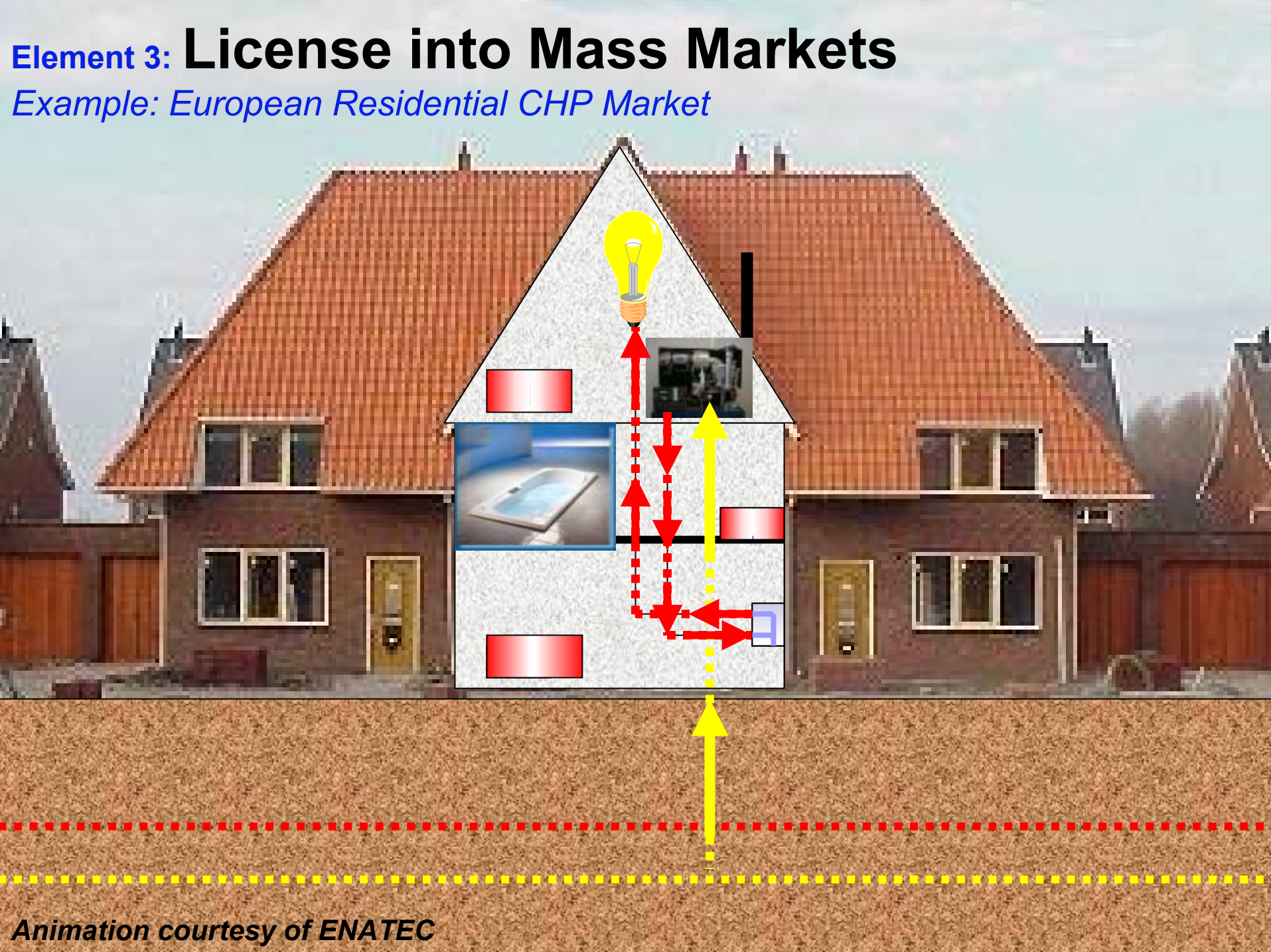
- Price Point, Grid Interface
- Sales and Distribution Channels

STC Status

- European licensees in place
  - ✓ *ENATEC*
  - ✓ *"Confidential"*
- "Beta" field trials underway
- Launch: late 2004
- Ramp: 2005

Element 3: License into Mass Markets

Example: European Residential CHP Market



Animation courtesy of ENATEC

Element 4:

Drive Technology Development with Public / Private R&D $

Radioisotope Power Systems
Project Prometheus – JIMO
$23 million backlog

- Financial stability
- Robust design/hardware
- ISO 9001 level processes
- Technology advancement

Army/Natick Labs
CHP for Military Field Kitchens
$730,000, beginning late '03

- Commercial CHP system
- Diesel burner

DOE High Temperature Superconductor
$3 million, beginning early '04

- Low cost alternator
- Pulse tube interface

Private Development
Ongoing 3rd party funding

- CHP modules
- Linear compressor
- Pressure wave generator
- Larger systems

Applications & Future Markets

Radioisotope Power Generators

■ Mars Lander ■ Jupiter Icy Moons Orbiter ■ Other/Military	$100 million + Product Sales

CHP Modules

■ CHP Markets (Japan, etc.) ■ Always-On Premium Power ■ Stand-Alone Remote Power ■ Biomass Power	$ Undetermined Licensing

Pressure Wave Generators

■ Oil-Free Compression ■ High Temperature Superconductor Coolers	$ Undetermined Product Sales, Licensing

Cryocoolers

■ Home-Based Gas Liquefiers ■ Diagnostic Tools ■ Refrigeration/Cooling	$25 billion + Licensing

STC's Management Team

J.D. Sitton, Chairman, CEO and President, *8 years business formation, technology and service commercialization*

Maury White, Founder, Board Member, CTO, *35 years experience with linear drive Stirling system development*

Tom Mitchell, Board Member, CFO, *12 years experience with internal audit, public and private accounting*

Jim Clyde, Vice President, Marketing and Business Development, *15 years of new market development, service delivery, business formation and technology development*

Ray Erbeznik, Director, Commercial Programs, *16 years experience with linear drive Stirling system development and commercialization*

Dr. Songgang Qiu, Chief Engineer, *21 years thermal system analysis and hardware development, system testing*

Steve Petersen, Director, Government Programs, *15 years program management*

STC's Advisory Board

- *Dr. Ake Almgren*, President, Orkas Corp.; previously CEO, Capstone Turbine Corporation, president, ABB Power T&D, president, Autoliv
- *Scott Magrane*, Investment Banking; previously vice president, Goldman Sachs
- *Dorrance Noonan*, Consultant to Briggs and Stratton; previously CEO, Briggs and Stratton Power Systems and CEO, Generac Power Systems
- *Dennis Orwig*, CEO, Encorp; previously vice president, ABB

Conclusions:

STC…

- Is a stable, growing company
- Has developed enabling technologies
- Is shifting from development to commercialization
- Has a viable, 4-point strategy
- Has an experienced and capable team
- Is gaining commercial momentum

Courtesy of JPL

Courtesy of Enatec

STC is looking for commercial partners

Courtesy of NASA

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